2018
SECOND QUARTER RESULTS

Ticker BMV: IENOVA
Mexico City, July 25, 2018

We are the first private sector, publicly traded energy infrastructure company on the Mexican Stock Exchange and one of the largest private sector energy companies in Mexico in terms of market share. We develop, build, and operate essential energy infrastructure. Our footprint in Mexico includes several business lines that encompass a significant portion of the Mexican energy infrastructure value chain that is open to private investment.

Executive Summary

(millions of US$, except percentages)	Three months ended June 30, 2018	Three months ended June 30, 2017	% Var.	Six months ended June 30, 2018	Six months ended June 30, 2017	% Var.
	(unaudited)			(unaudited)		
Adjusted EBITDA	$ 218.9	$ 183.8	19 %	$ 430.2	$ 367.6	17 %
Profit for the period	$ 102.3	$ 45.8	123 %	$ 229.8	$ 190.8	20 %
Revenues	$ 307.4	$ 286.8	7 %	$ 614.6	$ 567.9	8 %

- In June 2018, IEnova management decided to suspend the plan to market and sell the Termoeléctrica de Mexicali power plant. Accordingly, its financial results for the three-month and six-month periods ended June 30, 2018 and 2017 are presented as continued operations in the Condensed Consolidated Statements of Profit.
- In the second quarter of 2018, Adjusted EBITDA increased 19 percent to $218.9 million, compared with $183.8 million in the same period of 2017. The increase of $35.1 million was mainly due to the Termoeléctrica de Mexicali power plant higher operational results and its scheduled major maintenance in the second quarter of 2017, and the November 2017 acquisition of an additional 25 percent of Los Ramones Norte pipeline.
- In the six months ended June 30, 2018, Adjusted EBITDA increased 17 percent to $430.2 million, compared with $367.6 million in the same period of 2017. The increase of $62.6 million was mainly due to the Termoeléctrica de Mexicali power plant higher operational results and its scheduled major maintenance in 2017, the November 2017 acquisition of an additional 25 percent of Los Ramones Norte pipeline and higher margin in the gas segment.
- In the second quarter of 2018, profit was $102.3 million, compared with $45.8 million in the same period of 2017. The increase of $56.5 million was mainly due to the Termoeléctrica de Mexicali power plant non-cash after-tax impairment charge in the second quarter of 2017 and the EBITDA drivers mentioned above, partially offset by exchange rate effects and higher financing costs.
- In the six months ended June 30, 2018, profit was $229.8 million, compared with $190.8 million in the same period of 2017. The increase of $39.0 million was mainly due to the Termoeléctrica de Mexicali power plant non-cash after-tax impairment charge in the second quarter of 2017 and the EBITDA drivers mentioned above, partially offset by exchange rate effects and higher financing costs.
- In the second quarter of 2018, revenues were $307.4 million, compared with $286.8 million in the same period of 2017. The increase of $20.6 million was mainly due to higher revenue at the Termoeléctrica de Mexicali power plant due to higher volumes partially offset by lower weighted average prices and the acquisition of the remaining 50 percent of Ductos y Energéticos del Norte.
- In the six months ended June 30, 2018, revenues were $614.6 million, compared with $567.9 million in the same period of 2017. The increase of $46.7 million was mainly due to higher revenue at the Termoeléctrica de Mexicali power plant due to higher volumes and weighted average prices, the acquisition of the remaining 50 percent of Ductos y Energéticos del Norte and the start of operations of new pipelines.

- In June 2018, in IEnova's Ordinary General Shareholders' Meeting, the formation of a fund to purchase the company's own shares was approved on the terms provided in Article 56, Section IV of the Securities Market Law, up to a maximum amount of $250 million for 2018. As of today, IEnova has not repurchased any shares.
- In July 2018, IEnova was awarded the public tender issued by the Integral Port Administration (API) of Topolobampo for the construction and operation of a marine terminal for the receipt and storage of hydrocarbons and other liquids, primarily diesel and gasoline. The first phase of the terminal will have a capacity of approximately one million barrels and an estimated investment of $150 million. The terminal could also be expanded to store additional refined products and/or offer service for other products such as petrochemicals. It is expected to begin operations during the fourth quarter of 2020.
- Pursuant to a resolution of the General Ordinary Shareholders' Meeting held on April 27, 2018, the Board of Directors, in its meeting held on July 24, 2018, resolved to pay a cash dividend of $210 million U.S. dollars in August 2018.

Results of Operations

Amounts are presented in U.S. dollars, the functional currency of the Company, unless otherwise noted, and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). All amounts are unaudited, unless otherwise noted. Numbers may not add up due to rounding.

2017 and 2018 first quarter financial results have been re-presented to show Termoeléctrica de Mexicali as continued operations in the Condensed Consolidated Statements of Profit.

Condensed Consolidated Statements of Profit

	Three months ended June 30,		Six months ended June 30,	
(millions of US$)	2018	2017	2018	2017
	(unaudited)		(unaudited)	
Revenues	$ 307.4	$ 286.8	$ 614.6	$ 567.9
Cost of revenues	(68.0)	(65.8)	(142.3)	(138.2)
Operating, administrative and other expenses	(49.1)	(55.5)	(97.8)	(99.3)
Depreciation and amortization	(33.8)	(28.7)	(67.4)	(55.9)
Impairment of Termoeléctrica de Mexicali	—	(63.8)	—	(63.8)
Financing cost, net	(21.9)	(11.3)	(46.5)	(23.4)
Other (losses) gains, net	(57.0)	2.3	(5.2)	6.0
Profit before income tax and share of profits of joint ventures	**77.6**	**64.0**	**255.4**	**193.3**
Income tax expense	(19.8)	(22.4)	(58.0)	(19.4)
Share of profits of joint ventures, net of income tax	44.5	4.2	32.4	16.9
Profit for the period	**$ 102.3**	**$ 45.8**	**$ 229.8**	**$ 190.8**

Segment Information

Segment information is presented after eliminating inter-company transactions.

Profit before Income Tax and Share of Profits of Joint Ventures

(millions of US$)	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
	(unaudited)		(unaudited)	
Gas Segment	$ 124.8	$ 141.1	$ 264.7	$ 274.5
Power Segment	16.1	(70.6)	29.3	(60.2)
Corporate	(63.3)	(6.5)	(38.6)	(21.0)
	$ 77.6	**$ 64.0**	**$ 255.4**	**$ 193.3**

Gas Segment

In the second quarter of 2018, Gas segment profit before income tax and share of profits of joint ventures was $124.8 million, compared with $141.1 million in the same period of 2017. The decrease of $16.3 million is mainly due to lower interest capitalization, higher depreciation and higher operating, administrative and other expenses.

In the six months ended June 30, 2018, Gas segment profit before income tax and share of profits of joint ventures was $264.7 million, compared with $274.5 million in the same period of 2017. The decrease of $9.8 million is mainly due to lower interest capitalization, partially offset by exchange rate gains.

Power Segment

In the second quarter of 2018, the Power segment profit before income tax and share of profits of joint ventures was $16.1 million, compared with a loss of $70.6 million in the same period of 2017. The increase of $86.7 million is mainly due to the impairment at the Termoeléctrica de Mexicali power plant and its scheduled major maintenance that both occurred in the second quarter of 2017.

In the six months ended June 30, 2018, the Power segment profit before income tax and share of profits of joint ventures was $29.3 million, compared with a loss of $60.2 million in the same period of 2017. The increase of $89.5 million is mainly due to the Termoeléctrica de Mexicali power plant impairment and its scheduled major maintenance that both occurred in 2017 and its higher operational results in 2018.

Corporate

In the second quarter of 2018, corporate loss before income tax was $63.3 million, compared with $6.5 million in the same period of 2017. The increase in losses of $56.8 million is mainly due to exchange rate effects primarily related to a peso-denominated shareholder's loan to fund the South Texas – Tuxpan pipeline (which effects are offset in the share of profits of joint ventures).

In the six months ended June 30, 2018, corporate loss before income tax was $38.6 million, compared with $21.0 million in the same period of 2017. The increase in losses of $17.6 million is mainly due to exchange rate effects primarily related to a peso-denominated shareholder's loan to fund the South Texas – Tuxpan pipeline (which effects are offset in the share of profits of joint ventures).

Revenues

(millions of US$, except price per MMBtu[1])	Three months ended June 30,				Six months ended June 30,			
	2018		2017		2018		2017	
	(unaudited)				(unaudited)			
Gas Segment	$	245.2	$	244.5	$	490.6	$	473.6
Power Segment		61.6		41.8		123.2		93.3
Corporate		0.6		0.5		0.8		1.0
	$	**307.4**	**$**	**286.8**	**$**	**614.6**	**$**	**567.9**
Natural gas weighted average price USD per MMBtu	$	2.44	$	3.04	$	2.71	$	3.16

(1) MMBtu: Million British thermal units (of natural gas)

Gas Segment

In the second quarter of 2018, Gas segment revenues were $245.2 million, compared with $244.5 million in the same period of 2017. The increase of $0.7 million is mainly due to:

- $3.9 million from the acquisition of Ductos y Energéticos del Norte, partially offset by
- $2.5 million from lower weighted average prices of natural gas, net of higher volume sold.

In the six months ended June 30, 2018, Gas segment revenues were $490.6 million, compared with $473.6 million in the same period of 2017. The increase of $17.0 million is mainly due to:

- $6.7 million from the acquisition of Ductos y Energéticos del Norte,
- $6.0 million from the start of operations of new pipelines,
- $6.0 million from higher tariffs, and
- $2.8 million from the natural gas distribution rate increase at Ecogas, partially offset by
- $5.4 million from lower weighted average prices of natural gas, net of higher volume sold.

Power Segment

In the second quarter of 2018, Power segment revenues were $61.6 million, compared with $41.8 million in the same period of 2017. The increase of $19.8 million is mainly due to:

- $16.8 million from higher volumes net of lower prices at Termoeléctrica de Mexicali power plant, and
- $3.8 million from higher power prices at Ventika.

In the six months ended June 30, 2018, Power segment revenues were $123.2 million, compared with $93.3 million in the same period of 2017. The increase of $29.9 million is mainly due to the Termoeléctrica de Mexicali higher electricity volumes and prices.

Cost of Revenues

(millions of US$, except cost per MMBtu)	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
	(unaudited)		(unaudited)	
Gas Segment	$ 45.8	$ 53.3	$ 93.3	$ 102.2
Power Segment	22.2	12.5	49.0	36.0
	$ 68.0	**$ 65.8**	**$ 142.3**	**$ 138.2**
Natural gas weighted average cost USD per MMBtu	$ 2.29	$ 2.94	$ 2.50	$ 3.02

Gas Segment

In the second quarter of 2018, Gas segment cost of revenues was $45.8 million, compared with $53.3 million for the same period of 2017. The decrease of $7.5 million is mainly due to a lower weighted average cost of natural gas.

In the six months ended June 30, 2018, Gas segment cost of revenues was $93.3 million, compared with $102.2 million for the same period of 2017. The decrease of $8.9 million is mainly due to a lower weighted average cost of natural gas.

Power Segment

In the second quarter of 2018, Power segment cost of revenues was $22.2 million, compared with $12.5 million for the same period of 2017. In the six months ended June 30, 2018, Power segment cost of revenues was $49.0 million, compared with $36.0 million for the same period of 2017. For both periods, the increases of $9.7 million and $13.0 million, respectively, were mainly due to higher natural gas volume at the Termoeléctrica de Mexicali power plant.

Consolidated Results

Operating, Administrative and Other Expenses

In the second quarter of 2018, operating, administrative and other expenses were $49.1 million, compared with $55.5 million for the same period of 2017. In the six months ended June 30, 2018, they were $97.8 million, compared with $99.3 million for the same period of 2017. The decreases of $6.4 million and $1.5 million, respectively, were mainly due to the Termoeléctrica de Mexicali power plant scheduled major maintenance in 2017, partially offset by the start of operations of new pipelines.

Depreciation and Amortization

In the second quarter of 2018, depreciation and amortization was $33.8 million, compared with $28.7 million for the same period of 2017. In the six months ended June 30, 2018, depreciation and amortization was $67.4 million, compared with $55.9 million for the same period of 2017. The increases of $5.1 million and $11.5 million, respectively, were mainly due to the start of operations of new pipelines.

Impairment of Termoeléctrica de Mexicali

In June 2017, the asset value indicated by the Termoeléctrica de Mexicali power plant sale process was determined to be lower than its carrying value. This resulted in a non-cash after-tax impairment charge of $63.8 million in the second quarter of 2017.

Financing Cost, Net

In the second quarter of 2018, financing cost, net was $21.9 million, compared with $11.3 million for the same period of 2017. In the six months ended June 30, 2018, financing cost, net was $46.5 million, compared with $23.4 million for the same period of 2017. The increases of $10.6 million and $23.1 million, respectively, were mainly due to higher corporate debt balance, higher interest rates and lower interest capitalization related to projects under construction, partially offset by higher interest income related to the shareholder's loan granted to South Texas – Tuxpan pipeline.

Other (Losses) Gains, Net

In the second quarter of 2018, other losses were $57.0 million, compared with other gains of $2.3 million in the same period of 2017. In the six months ended June 30, 2018, other losses were $5.2 million, compared with other gains of $6.0 million in the same period of 2017. The variations of $59.3 million and $11.2 million were related to exchange rate effects, mainly due to a peso-denominated shareholder's loan to fund the South Texas – Tuxpan pipeline, which is offset in Share of Profits of Joint Ventures.

Income Tax Expense

In the second quarter of 2018, income tax expense was $19.8 million compared with $22.4 million in the same period of 2017. The decrease of $2.6 million is primarily due to the effect on the deferred income tax balance of the fluctuation in the tax basis of property, plant, and equipment at our U.S. dollar functional currency, partially offset by the effect of exchange rate and inflation on monetary assets and liabilities.

In the six months ended June 30, 2018, income tax expense was $58.0 million compared with $19.4 million in the same period of 2017. The increase of $38.6 million is primarily due to the effect on the deferred income tax balance of the fluctuation in the tax basis of property, plant, and equipment at our U.S. dollar functional currency, partially offset by the effect of exchange rate and inflation on monetary assets and liabilities.

Share of Profits of Joint Ventures, Net of Income Tax

(millions of US$)	Joint Venture With	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
		(unaudited)		(unaudited)	
Los Ramones Norte pipeline	Blackrock and Pemex TRI[1]	$ 6.4	$ 5.0	$ 18.2	$ 13.1
South Texas – Tuxpan pipeline	TransCanada	35.1	(2.3)	10.5	0.5
Energía Sierra Juárez wind generation facility	InterGen	3.0	1.5	3.7	3.3
		$ 44.5	**$ 4.2**	**$ 32.4**	**$ 16.9**

[1] In November 2017, IEnova acquired the remaining 50 percent of Ductos y Energéticos del Norte. Accordingly, IEnova has a 50-percent indirect interest in Los Ramones Norte pipeline.

In the second quarter of 2018, our share of profits of joint ventures, net of income tax, was $44.5 million, compared with $4.2 million in the same period of 2017. The increase of $40.3 million is mainly due to the gain in the South Texas – Tuxpan pipeline from foreign exchange rate effects primarily related to a peso-denominated shareholder’s loan and the increased ownership of Los Ramones Norte pipeline, partially offset by higher income tax expense in the South Texas – Tuxpan pipeline. The foreign exchange rate effects are offset in Other (Losses) Gains, net.

In the six months ended June 30, 2018, our share of profits of joint ventures, net of income tax, was $32.4 million, compared with $16.9 million in the same period of 2017. The increase of $15.5 million is mainly due to the gain in the South Texas – Tuxpan pipeline from foreign exchange rate effects primarily related to a peso-denominated shareholder’s loan and the increased ownership of Los Ramones Norte pipeline, partially offset by higher income tax expense in the South Texas – Tuxpan pipeline. The foreign exchange rate effects are offset in Other (Losses) Gains, net.

EBITDA and Adjusted EBITDA

We present “EBITDA” and “Adjusted EBITDA” in this earnings report for the convenience of investors. EBITDA and Adjusted EBITDA, however, are not measures of financial performance under IFRS and should not be considered as alternatives to profit or operating income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

Our definition of EBITDA is profit for the period after adding back or subtracting, as the case may be, (1) depreciation and amortization, (2) impairment of Termoeléctrica de Mexicali, (3) financing cost, net, (4) other losses (gains), net, (5) income tax expense and (6) share of profits of joint ventures, net of income tax.

We define Adjusted EBITDA as EBITDA plus Joint Ventures (JV) EBITDA adjustment.

We define the JV EBITDA adjustment as our share of the profit of joint ventures, after adding back or subtracting, as the case may be, our share of: (1) depreciation and amortization, (2) financing cost, net, (3) other (gains) losses, net, and (4) income tax expense.

	Three months ended June 30,		Six months ended June 30,	
(millions of US$)	2018	2017	2018	2017
	(unaudited)		(unaudited)	
Gas Segment	$ 158.0	$ 158.2	$ 315.9	$ 303.5
Power Segment	32.1	8.8	58.7	29.8
Corporate	0.2	(1.5)	(0.1)	(2.9)
EBITDA	**$ 190.3**	**$ 165.5**	**$ 374.5**	**$ 330.4**
JV EBITDA adjustment	28.6	18.3	55.7	37.2
Adjusted EBITDA	**$ 218.9**	**$ 183.8**	**$ 430.2**	**$ 367.6**

Reconciliation of Profit for the Period to EBITDA and Adjusted EBITDA

(millions of US$)	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
	(unaudited)		(unaudited)	
EBITDA reconciliation				
Profit for the period	$ 102.3	$ 45.8	$ 229.8	$ 190.8
Depreciation and amortization	33.8	28.7	67.4	55.9
Impairment of Termoeléctrica de Mexicali	—	63.8	—	63.8
Financing cost, net	21.9	11.3	46.5	23.4
Other losses (gains), net	57.0	(2.3)	5.2	(6.0)
Income tax expense	19.8	22.4	58.0	19.4
Share of (profits) of joint ventures, net of income tax	(44.5)	(4.2)	(32.4)	(16.9)
(1) EBITDA	**190.3**	**165.5**	**374.5**	**330.4**
JV EBITDA Adjustment reconciliation				
Profit for the period	44.5	4.2	32.4	16.9
Depreciation and amortization	1.6	1.6	3.1	3.1
Financing cost, net	5.9	7.7	16.3	14.5
Other (gains) losses, net	(15.2)	3.6	18.9	1.8
Income tax (benefit) expense	(8.2)	1.2	(15.0)	0.9
(2) JV EBITDA Adjustment	**28.6**	**18.3**	**55.7**	**37.2**
(1+2) Adjusted EBITDA	**$ 218.9**	**$ 183.8**	**$ 430.2**	**$ 367.6**

Condensed Consolidated Statements of Financial Position

(thousands of US$)	June 30, 2018	December 31, 2017
	(unaudited)	(audited)
Assets		
Current assets		
Cash and cash equivalents	$ 21,267	$ 37,208
Short-term investments	51,082	1,081
Trade and other receivables, net	117,833	94,793
Taxes receivable	145,113	121,542
Other current assets[1]	165,883	112,199
Assets held for sale [2]	—	148,190
Total current assets	**501,178**	**515,013**
Non-current assets		
Due from unconsolidated affiliates	596,204	493,887
Finance lease receivables	937,828	942,184
Deferred income tax assets	82,942	97,334
Investments in joint ventures	575,669	523,102
Property, plant and equipment, net	3,948,102	3,729,456
Goodwill	1,638,091	1,638,091
Other non-current assets[3]	271,283	224,792
Total non-current assets	**8,050,119**	**7,648,846**
Total assets	**$ 8,551,297**	**$ 8,163,859**
Liabilities and Stockholders' Equity		
Short-term debt	$ 332,745	$ 262,760
Due to unconsolidated affiliates	604,286	544,217
Other current liabilities[4]	286,612	184,418
Liabilities held for sale	—	62,522
Total current liabilities	**1,223,643**	**1,053,917**
Non-current liabilities		
Long-term debt	1,701,424	1,732,040
Due to unconsolidated affiliates	74,341	73,510
Deferred income tax liabilities	544,483	551,614
Other non-current liabilities[5]	233,394	236,191
Total non-current liabilities	**2,553,642**	**2,593,355**
Total liabilities	**3,777,285**	**3,647,272**
Stockholders' Equity		
Common stock	963,272	963,272
Additional paid-in capital	2,351,801	2,351,801
Accumulated other comprehensive (loss)	(86,952)	(114,556)
Retained earnings	1,545,887	1,316,070
Total equity attributable to owners	**4,774,008**	**4,516,587**
Non-controlling interest	4	—
Total equity of the company	**$ 4,774,012**	**$ 4,516,587**
Total liabilities and equity	**$ 8,551,297**	**$ 8,163,859**

(1) Other current assets include restricted cash, carbon allowances - current, amounts due from unconsolidated affiliates, other current assets, natural gas inventories, finance lease receivables (current), and derivative financial instruments.
(2) On June 1, 2018, management formalized its decision to suspend the sell of Termoeléctrica de Mexicali power plant, and the assets and liabilities that were previously classified as held for sale were reclassified as held and used.
(3) Other non-current assets include intangible assets, other non-current assets, carbon allowances - non current and derivative financial instruments.
(4) Other current liabilities include trade and other payables, carbon allowances - current, other taxes payable, other financial liabilities, income tax liabilities, other current liabilities, derivative financial instruments and provisions.
(5) Other non-current liabilities include derivative financial instruments, provisions, carbon allowances - non current, employee benefits and other non-current liabilities.

Liquidity and Capital Resources

We are a holding company. As a result, our ability to meet our obligations and to fund our capital needs depends on our ongoing ability to generate cash from operations, the terms of our financing arrangements, and our access to capital markets.

Sources and Uses of Cash

(millions of US$)	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
	(unaudited)		(unaudited)	
Cash and cash equivalents at the beginning of the period	**$ 44.9**	**$ 60.1**	**$ 37.2**	**$ 25.5**
Net cash provided by operating activities	152.2	83.4	245.3	177.6
Net cash used in investing activities	(120.5)	(221.3)	(332.1)	(353.3)
Net cash (used) provided by financing activities	(74.5)	104.8	32.5	171.2
Effects of exchange rate changes on cash and cash equivalents	19.1	1.0	38.4	7.0
Cash and cash equivalents at the end of the period	**$ 21.2**	**$ 28.0**	**$ 21.3**	**$ 28.0**

Operating Activities

In the second quarter of 2018, net cash provided by operating activities was $152.2 million, compared with $83.4 million in the same period of 2017, mainly due to higher operational results, changes in working capital and lower income tax paid.

In the six months ended June 30, 2018, net cash provided by operating activities was $245.3 million, compared with $177.6 million in the same period of 2017, mainly due to higher operational results and lower income tax paid, partially offset by changes in working capital.

Investing Activities

In the second quarter of 2018, net cash used in investing activities was $120.5 million, mainly due to capital expenditures of $88.2 million related to the new solar and liquid terminal projects, $24.0 million of short-term investments and a restricted cash reduction of $8.1 million.

In the second quarter of 2017, net cash used in investing activities was $221.3 million, mainly due to the investment of $196.3 million in the South Texas – Tuxpan pipeline and capital expenditures of $25.1 million related to four pipelines.

In the six months ended June 30, 2018, net cash used in investing activities was $332.1 million, mainly due to capital expenditures of $173.1 million related to the new solar and liquid terminal projects, the investment of $108.9 million in the South Texas – Tuxpan pipeline and $50.0 million of short-term investments.

In the six months ended June 30, 2017, net cash used in investing activities was $353.3 million, mainly due the investment of $242.1 million in the South Texas – Tuxpan pipeline, capital expenditures of $94.5 million related to four pipelines and restricted cash increase of $16.8 million related to Ventika and Gasoductos de Chihuahua bank debt.

Financing Activities

In the second quarter of 2018, net cash used by financing activities was $74.5 million, due to $56.8 million of net bank financing repayment and interest paid of $17.7 million.

In the second quarter of 2017, net cash provided by financing activities was $104.8 million, due to $59.5 million in net borrowings from bank loans and $55.2 million in net borrowings from unconsolidated affiliates, partially offset by interest paid of $9.9 million.

In the six months ended June 30, 2018, net cash provided by financing activities was $32.5 million, mainly due to $70.0 million in net borrowings from unconsolidated affiliates and $104.5 million of net proceeds from bank financing, partially offset by the five-year CEBURES payment at maturity of $102.1 million and interest paid of $39.9 million.

In the six months ended June 30, 2017, net cash provided by financing activities was $171.2 million, due to $157.2 million in net borrowings from unconsolidated affiliates and $49.6 million in net borrowings from bank loans, partially offset by interest paid of $35.7 million.

Internal Controls

Our management is responsible for maintaining a system of internal control over financial reporting. This system gives our shareholders reasonable assurance that our transactions are executed and maintained in accordance with the guidelines set forth by our management and that our financial records are reliable as a basis for preparing our financial statements.

The system of internal control over financial reporting is supported by ongoing audits, the results of which are reported to management throughout the year. In addition, we maintain reliable databases and have modern and efficient systems designed to generate key financial information.